

(This newsletter is being sent to BAE Systems, Electronic Systems Suppliers)



[Electronic Systems Supplier Center](#)

March 2024



2024 BAE Systems ES Quality Strategy

Greetings,

At BAE Systems, Electronic Systems, our missions of We Protect Those Who Protect Us and We Innovate for Those Who Move the World are central to everything we do. As one of our suppliers, you are an important partner in helping us achieve these goals.

In 2024, we will continue building proactive and collaborative relationships with our suppliers and instituting trusted, real-time analytics and tools that are standard in our industry. You'll see more details on these and other ways we're working to protect and innovate for our customers throughout this newsletter.



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Highlights & Updates

PARTNER2WIN SCORECARD

Our changes are going live! Below is a summary of the Partner2Win Scorecard changes, effective on 2024 Scorecards.

2023 Supplier Performance	2024 Supplier Performance	
Defects We Buy (DWB)	Defects Per Parts Million (DPPM)	
<u>(Pieces Inspected – Pieces Rejected) * 100</u> Pieces Inspected	<u>Total # of Defects *1,000,000</u> Total # of Pieces Received	
Disruption Levels	Quality Penalty Events	Penalty
1. Quality issue shop floor purge -0.25%	1. SCAR issued	One Tier
2. Quality issue stop ship -0.5%	2. Overdue SCAR	Two Tiers
3. Quality issue customer escape -1.0%	3. Quality Factory Disruption	Three Tiers
4. Cyber Security CUI impact -2.0%	4. Customer Escape	Three Tiers
	5. Customer MRB	Three Tiers
	6. Cyber Security CUI impact	Four Tiers
	7. Counterfeit Part impact	Four Tiers

Why the changes?

- DPPM is an industry recognized standard measure of supplier quality performance.
- Event level penalties have been added to better align with industry peer supplier scorecard programs.
- BAE Electronic Systems is focused on developing meaningful and actionable metrics that drive improvements in processes and behaviors to positively influence our business performance.

2024 Supplier Performance		
Tier	Quality DPPM Score	Delivery Score
Gold	≤233	100%
Silver	234-6210	98%
Bronze	6211-66807	96%
Yellow	66808-308538	90%
Red	>308538	<90%

FOCUS ON KPIS

Our supply chain partners, and their performance are reflected in our KPIS. Here are some of the ways we look at the data:

- Defects per Parts Million (DPPM):** We are moving to an industry-recognized, standard measure of supplier quality performance, calculated using quantity of defects and receipts.
- Cost of Poor Quality (CoPQ):** The need to rework and scrap materials we buy contributes to the cost of poor quality. We are determining avenues that will improve this metric.
- SCAR:** Supplier Corrective Action Issuance and On-Time Response are now contributors to the measure of supplier performance. The expectation is SCARs will have their corrective action(s) implemented within 90 days of issuance.

- **Supplier Quality Factory Disruptions:** Supply-chain quality related events that disrupt our production flows and affect our ability to deliver quality products on-time to our customers.
- **Advanced Product Quality Planning (APQP):** Our focus is on AS9145 maturity. See the section on [AS9145 Updates](#) for details.
- **Supplier Development Program:** We are tracking progress of both BAE Systems and our suppliers as we move through our first year of the formalized Supplier Development Program. See the section on [Supplier Development Program](#) for details.
- **Source Inspection Reduction:** BAE Systems is striving to reduce Source Inspections in favor of a focus on proactivity and continuous improvement with our supply chain partners.

AS9102 REV C RELEASED

In June 2023, SAE AS9102, *Aerospace Series - First Article Inspection Requirements, Revision C*, was released, superseding previous versions. As such, BAE Systems, its suppliers, and any sub-tier suppliers **should transition to AS9102C requirements by June 2024**.

Net-Inspect will support Rev C requirements for FAI activities starting January 1, 2024, and use of legacy AS9102 Rev B forms will no longer be available after June 2024.

BAE Systems Quality Assurance Code [00-315](#), updated in October 2023, provides flow-down requirements of AS9102 Rev C, which is also available through the Supplier Quality Assurance portion of the [Electronic Systems Supplier Center](#) website.

The International Aerospace Quality Group (IAQG) has published AS9102 Rev C requirements on <https://iaqg.org/>. IAQG has also updated the Supply Chain Management Handbook (SCMH) with Rev C First Article Inspection guidance material that is designed to assist organizations in executing an effective FAI program.

Transition questions may be referred to netinspect.es@baesystems.com and/or BAE Systems procurement representative.

AS9145 UPDATES

PPAP Element Review Checklists: Comprehensive PPAP Element Review Checklists have been created that align with Supplier PPAP Requirements document, B45157. These can be utilized to ensure supplier PPAP elements meet our requirements before submitting them for approval. The checklists can be found in Net-Inspect and on the [Electronic Systems Supplier Center | BAE Systems](#).

AS9145 Maturity Assessment: The International Aerospace Quality Group (IAQG) created an AS9145 Maturity Assessment in 2019 that BAE Systems has adopted to assess our suppliers.

The evaluation assesses the maturity of an organization's Advanced Product Quality Planning (APQP) philosophy, which includes:

- Management awareness
- Commitment
- Organizational alignment
- Effective communication
- Project/risk management
- Use of tools
- Readiness of external suppliers

Key suppliers that are working on completing a PPAP or have had a PPAP approved in the past, will be engaged by BAE Systems in 2024 to assess their maturity and target specific areas to develop.

The tool can be found on the [IAQG SCM website](#).

SUPPLIER DEVELOPMENT PROGRAM

Launched in August 2023, the Supplier Development Program (SDP) is a proactive, standardized approach to supplier development that utilizes industry standard tools (IAQG) to improve supplier capability and performance. BAE Systems continues to work with the four pilot suppliers to execute the five-phase approach, and incorporate lessons learned. The phases include:

1. Supplier Selection & Engagement
2. Supplier Assessment
3. Plan & Team Development
4. Plan Execution
5. Supplier Monitoring

From the pilots, we've been able to provide better clarity on the assessment process & tools, timeline adjustments to better maximize resources, and expand the options for improvement activities. These improvements are being utilized in our Wave 1 Supplier launch that started in January 2024.

Moving forward, the SDP will use a rolling enrollment approach for supplier selection. If you are interested in learning more about and/or participating in the SDP, please contact your Supplier Partnerships representative.

SPECIAL PROCESSES

The Special Process program team is overhauling our surveillance/recertification process to ensure compliance to drawing and industry standard requirements. This new approval process was launched in January 2024 and includes the following added benefits:

- Better alignment with Nadcap's Special Process program
- Mitigation of risk to BAE Systems through increased oversight of SP suppliers
- Proactive approach to audit scheduling through risk-based criteria

Special Process suppliers, including sub-tiers, that require surveillance/recertification audits in 2024 to ensure compliance will be contacted by a member of the Special Process program team.

A list of Approved Special Process Suppliers is located on [Electronic Systems Supplier Center | BAE Systems](#).

RECENT UPDATES

C38783 – BAE Workmanship Acceptability Requirements (Applicable to US Defense)

The BAE Workmanship Acceptability Requirements document (C38783) was updated in June 2023. This document establishes BAE Systems' interpretation, acceptance criteria, and requirements with respect to the workmanship of fabricated mechanical parts and assemblies.

Below is a summary of changes:

- Section 2: CARC paint and screw thread standards
- Section 4.4.2: updated screw thread gaging section
- Section 4.7: added objective statement of prevention of excessive tooling marks
- Section 4.8.4.1.1: captured paint coupon prep method
- Section 4.8.4.1.2: updated CoC requirements for paint gloss
- Section 4.8.4.3.1: updated visual inspection distance statement; FOD prevention plan
- Section 4.8.4.3.2: captured spots, staining, and exposed primer as paint conditions
- Corrected minor formatting errors and section references

The full document is on the ES Supplier Center [Supplier Quality Assurance | BAE Systems](#).

PO Review – Coming Soon

In the next edition of this newsletter, we will highlight our soon-to-be implemented PO Review process. This is an industry-standard practice that will allow suppliers and BAE Systems to come together prior to part manufacture to discuss requirements, necessary changes, and other technical attributes of the Purchase Order. Ultimately this process will help reduce change requests and variance notifications within the supply chain.

Supplier Center Web Page

We are updating our Supplier Center site to be more user friendly and informative. Among many other topics there, you will be able to find past issues of this quarterly newsletter. Visit [Supplier Quality Assurance | BAE Systems](#).

DID YOU KNOW BAE SYSTEMS OFFERS L6S TRAINING?

The BAE Systems Lean Six Sigma program is open to all our Supplier Partners. Suppliers will train alongside BAE Systems employees and have access to the same level of resources, including a Master Black Belt as a mentor.

All belt development requires a real business problem to solve or a new product to develop. The identified problem/product must benefit both supplier and BAE Systems.

Available Belts:

Green Belt	Black Belt
DMAIC Training Duration: 2 weeks/80 hours, 1 week a month for two months	DMAIC Training Duration: Green Belt Training + 2 Weeks/80 hours, 1 week / month (4 months)
LDFSS Training Duration: 2 weeks/80 hours, 1 week a month for two months	LDFSS Training Duration: Green Belt Training + 2 weeks 1 week / month (4 months)
Exam	Exam

To apply and participate, all Partner Suppliers must have a BAE Systems champion and completed project charter. Contact your BAE Systems Supply Chain Organization point of contact. Trainings are scheduled throughout the year and are offered in person or virtually.
